

54308

Pacific Gas and Electric Company

77 Beale Street
San Francisco, CA
415/973-2069
Telecopier 415/543-7813
Telecopier 415/973-9271

Robert B McLennan
Attorney at Law

Mailing Address
PC Box 7442
San Francisco, CA 94120

91 NOV 28 11:0:59

November 22, 1991

RSPA-98-4868-33



U. S. Department of Transportation
Research and Special Programs Administration
Documents Unit, Room 8417
400 Seventh Street, S. W.
Washington, D. C. 20590

91 NOV 27 11:10:13
RECEIVED
OFF-1

Re: Docket No. PS-122, Notice 1
49 CFR Part.192

Gentlemen:

Pacific Gas and Electric Company (PG&E) is a public utility serving over 3,000,000 gas customers through more than 38,000 miles of gas transmission and distribution main in Northern and Central California. PG&E wishes to comment on the changes proposed for 49 CFR Part 192 in Docket No. PS-122, Notice 1.

PG&E has serious concerns with the proposed rule as it would appear to apply in our area. To understand PG&E's concerns, it is important to understand certain characteristics of a typical gas production system in our area, which is probably typical of many other production systems in the country.

Typically, a production system consists of:

1. A gas well.
2. A treatment facility for one or more wells located in close proximity to each other. This treatment facility removes much of the material that is deleterious to transmission of the gas. Some of this deleterious material may have commercial value, and may be sold by the producer.

Items 1 and 2 are typically owned by the party producing the gas.

3. A custody transfer meter for the gas from the treatment plant in item 2. This is the meter where custody is transferred from the producer to the utility company. For most of the gas wells in our area, a treatment facility and the custody transfer meter are provided for each well and are located immediately adjacent to the well. Clearly, these facilities would not be a



reasonable place to define as the end of the gathering line.

4. A system of gathering lines that collects gas from several of the first stage treatment facilities and transports it to a central treatment plant that completes the process of rendering the gas fit for transmission.
5. A gas transmission system.

The proposed rule would appear to define the end of the gathering system at either the treatment facility in item 2, if that facility is determined to be a **"processing plant"**, or at the meter in item 3. This is an inappropriate end point for the gathering system in **PG&E's** area. The gathering lines in item 4 are typically in rural areas with little or no public exposure, are within a gas field or in an area between 2 or **more** closely spaced gas fields, and are expected to be active only so long as gas continues to be produced from the field. Their sole purpose is to serve as part of a system to gather gas from one or several related fields for transport to a final treatment facility which prepares the gas for transmission.

In **PG&E's** case, application of the proposed rule in a way that would redefine the gathering lines in item 4 above would require converting about 1,000 miles of pipe from gathering to transmission, with no identifiable increases in safety.

Exemptions from the safety rules promulgated on the basis of the Natural Gas Pipeline Safety Act should be based on safety related issues, rather than simply on the arbitrary basis of a processing plant or a meter. In my opinion, a better rule would define safety related issues and apply that criteria to determine if it is an exempt gathering system. These issues would probably include the following:

1. The pipelines are expected to have a limited life, because of their sole purpose of gathering gas from a limited life gas field.
2. The pipelines are located in an area where there is little or no exposure of the public to the pipelines.
3. Access to the lands near the pipelines is mostly limited to personnel associated with production of the gas.



4. The pipeline will not be later converted to a transmission or distribution line, without a careful review of the pipeline condition and an additional test to prove that the line is in good operating condition.

A much more appropriate approach to identifying gathering pipelines for exemption from the regulations in 49 CFR Part 192, is as **follows**. The RSPA should designate the safety conditions that are relevant to determining if a line should be exempt. Then the operator of a pipeline system should be required to designate each of his lines that is to be considered a gathering line, and to document the characteristics of the line that demonstrate it meets the above safety conditions. This process would provide the safety regulation enforcement authorities with a clear way to assure that the designation of lines as gathering is appropriate, while avoiding the complications of trying to define precise end points on the basis of criteria that often are rather arbitrary.

If the above approach cannot be accepted by the RSPA, then the following changes to the proposed rule should be made.

Change the definition of the downstream end point of the gathering line to whichever of the following criteria is farthest upstream:

- a. The inlet to the final gas treatment plant which prepares the gas for transmission.
- b. A point where the pipeline enters a class 3 or 4 area, or encroaches within 220 yards of a building intended for human occupation and the normal occupation includes personnel other than those employed by the pipeline operator, except that if a line enters any of these areas and subsequently enters another area where it would otherwise qualify to be considered a gathering line, then only the portion of the line in the above first defined areas would not be considered a gathering line.
- c. If neither (a) or (b) is applicable, then the point where gas from more than one gas field is first commingled for the purpose of gas transmission.



This change will provide language similar to that in the proposed rule, but will allow extension of the gathering line to a point that is more closely related to the relevant safety criteria.

A final comment is that the inclusion in the proposed rule of a provision that any pipeline subject to FERC jurisdiction may not be considered a gathering line is inappropriate. First, gathering lines may be subject to FERC rate jurisdiction, but not certificate jurisdiction. See Northern Natural Gas Co. v. FERC, 929 F.2d 1261 (842 Cir. 1991). The **proposed** rule is for application of pipeline safety regulations and should be applied only in that context. Pipeline safety is an area that is not in any connected to the purposes of the Natural Gas Act. If a segment of pipe meets the safety criteria that would make it appropriate to be designated as a gathering line under the pipeline safety regulations, then it should be allowed to be so designated. This would have no impact on how the line was designated under the Natural Gas Act.

Thank you for the opportunity to comment on this matter.

Sincerely,


Robert Mc Lennan